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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Docket: ATM-2273

Appellants : Hans-Rudolf Nageli et al.

Examiner : Elena Tsoy

Serial No. : 09/726,372

Art Unit: 1762

Filed : 12/01/2000

For : PROCESS FOR THE PRODUCTION OF A PLASTIC-
COATED ALUMINUM FOIL AND PACKAGING MADE
FROM THIS

REPLY BRIEF

Mail Stop--Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Appellants submit this reply brief in response to the Examiner's Answer of January 13, 2005.

The Examiner has the burden of proof under 35 U.S. C. 103(a) and he has not carried his burden. The Examiner has not (and did not) factually establish in the record a showing of prima facie obviousness.

M.P.E.P. 2141 requires the Examiner to apply the test for patentability under 35 U.S.C. 103(a) as set forth by the Supreme Court in *Graham v. John Deere*, 383 U.S. 1, (1966). In order to provide a background for determining obviousness or nonobviousness, the Supreme Court set out four factual inquiries that must first be determined. The Supreme Court stated that determination of such four factual inquiries was to be rigorously followed. M.P.E.P. 2141 states:

"Office policy is to follow *Graham v. John Deere co.* in the consideration and determination of obviousness under 35 U.S.C. 103."

The Examiner has not made in the record the mandatory resolution of the level of ordinary skill in the pertinent art. (The Examiner has not even addressed the matter in the record.) Therefore, this Section 103(a) rejection is defective on its face and in substance, and fails *ab initio*. The Examiner does not know who is one ordinarily skilled in the art because the Examiner has not established the level of skill of such a person.

With the failure to have made a valid Section 103(a) rejection, the Examiner has not carried her burden of proof and has not established *prima facie* obviousness, and this defective obviousness rejection should be reversed.

No valid rejection can be made under Section 103(a) until, and unless, the four mandatory factual determinations of the Graham decision have been made, supported and stated in the record. This has not been done. Without compliance in the record with the Graham decision, there can never be a valid factual and legal establishment in the record of a *prima facie* showing of obviousness. In the case at bar, there is accordingly no showing of *prima facie* obviousness (for this and other reasons). The Examiner has not carried her burden of proof.

The Examiner has not factually established in the record a showing of *prima facie* obviousness of appellants' claimed invention to one ordinarily skilled in the art. The obviousness rejection fails as never having been established in the record. The Examiner still has the burden of proof.

Much of the Examiner's attempts to support the Section 102(b) and 103(a) rejections are the Examiner's incorrect and unsupportable assertions of inherency. The following quotations (from the Examiner's Answer) are typical of the Examiner unsupportable assertion of inherency:

"..., then the crystal grains are as small as possible *inherently* since it is produced by a method identical or substantially identical processes to that of claimed invention." [Page 4, last three lines]

"It is held that where the claimed and prior art products are identical or substantially identical in structure or composition, or are produced by identical or substantially identical processes, *claimed properties or functions are presumed to be inherent*. See MPEP 2111.02, 2112.01"

[Page 5, lines 1 to 4]

The Examiner has not factually proven or established in the record that the production methods or the products are identical or substantially identical. The Examiner has not carried her burden of proof; therefore, the anticipation and obviousness rejections are defective.

M.P.E.P. 2112, IV, states:

"The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic *In re Rijckaert*. 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); *In re Oelrich*, 666 F.2d 578, 581-

82, 212 USPQ 323, 326 (CCPA 1981). 'To establish inherency, the extrinsic evidence "must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a give set of circumstances is not sufficient.'" [Emphasis supplied] [Pages 2100-54 and -55]

The Examiner has not even factually established in the record (i) who is one of ordinary skill in the art and (ii) what is the level of skill of a person of ordinary skill in the art. Without these factual determinations in the record there can not be any establishment of inherency in the record, or determination of obviousness. Since proof of inherency requires "persons of ordinary skill", the Examiner's anticipation rejections also collapse because she has based them on inherency.

Section 102 states:

"A person shall be entitled to a patent unless."

The Examiner has the burden of proof under Section 102 and the Examiner has not carried her burden of proof. The Section 102(b) rejections are defective and fail.

M.P.E.P. 2131.01 states:

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single

prior art reference.' *Verdegaal Bros. v. Union Oil Co. of California*, 814

F.2d, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987)." [Emphasis Supplied]

Since the Examiner has relied on a failed showing of inherency in the Section 102(b) rejections, such anticipation rejections also fail.

The Examiner's Answer states:

"Common sense dictates that..." [Emphasis supplied] [Page 8, line 19]

"Common sense dictates that..." [Emphasis supplied] [Page 13, line 15]

Anticipation and obviousness rejections require facts, not some speculative, nebulous concept of so-called "common sense". The absence of factual proof (e.g., by means of a reference or the Examiner's affidavit/declaration) in the record to support (or in place of) the Examiner's assertions of so-called "common sense", further establishes the failure of the prior art rejections.

Also, the Examiner has not established why the so-called "common sense" "dictates" anything.

The Examiner has made statements in the Examiner's Answer regarding scientific/technical principles, and the knowledge of one skilled in the art (see page 10, lines 20 and 21, and page 11, lines 12 to 14, of the Examiner's Answer). Such assertions are meaningless under Section 112, first paragraph, 103(a) and 132. M.P.E.P. states:

"The rationale to support a rejection under 35 U.S.C. 103 may rely on logic and sound scientific principle. *In re Soli*, 317 F.2d 94), 137 USPQ 797 (CCPA 1963). However, when an examiner relies on a scientific

theory, evidentiary support for the existence and meaning of that theory must be provided.”

See also M.P.E.P. 2144.03.. The Examiner has not supported his assertions with supporting references, evidence or his own affidavit/declaration.

The C.A.F.C. in *In re Beasley*, Docket 04-1225, (decided: Dec. 7, 2004), (non-precedental), (copy attached), stated that the Examiner’s (and the Board’s) generalized assertions of what is “well recognized” or what a skilled artisan would be “well aware” of is inadequate unless supported in the record by some concrete evidence. Conclusionary statements of generalized advantages and assumptions about skilled artisans, according to the Court, are inadequate without factual evidence in the record.

The Examiner has made a number of statements in the Examiner’s Answer regarding one of ordinary skill in the art, such as:

“It would have been obvious to one of ordinary skill in the art at the time the invention was made to have...”

These statements are meaningless under Section 103(a) because, for example, the Examiner has not factually established in the record who is one ordinarily skilled in the art and the level of skill of one ordinarily skilled in the art. The Examiner has not established a prima facie showing of obviousness even though it is the Examiner’s burden of proof. See *In re Bell*, 26 USPQ2d 1529, 1531 (Fed. Cir. 1993). The Examiner’s Answer does not even make the assertion that a prima facie showing of obviousness is present or has been established.

The Examiner has fallen into the error of using forbidden hindsight in trying to find motivation or teaching to combine the two rejection references in the quest for appellants' claimed invention. The Examiner has not followed the requirement of rigorous application of the requirement of a showing of such motivation or teaching. In re Dembiczak, 175 F.3d 994, 999 (Fed. Cir. 1999).

M.P.E.P. 2144.08.II.A states:

"The determination as to whether a *prima facie* case exists should be made on the full record before the Office at the time of the determination.

Thus, Office personnel should:

(C) determine 'the level of ordinary skill in the pertinent art.'"

There can be no showing of *prima facie* obviousness if the required factual determinations are not made and the required rules are not followed.

The Examiner's Answer has not proven in the record that there is some prior art motivation, suggestion or teaching, or knowledge of one ordinarily skilled in the art to combine Heyes et al. and Takano et al. in the search for appellants' claimed invention. The term "motivation" is not even mentioned in the Examiner's Answer. The Examiner's Answer did not even assert that any such motivation was recognized by one ordinarily skilled in the art. The burden of proof in this area is on the Examiner (and she has not carried this burden of proof). The presence or absence of a motivation to combine references is a question of fact that is evaluated under the substantial evidence standard. In re Gartside, 203 F.3d 1305, 1316 (Fed. Cir. 1988).

Regarding the Section 112, first paragraph, the Examiner has the initial burden of proof and she has not carried her burden of proof. Even if the Examiner has carried her burden of proof, the appellants have rebutted it and shown by evidence, etc., in the whole record and by the law that the written description requirement is satisfied. M.P.E.P. 2163.04 states:

“The examiner, therefore, must have a reasonable basis to challenge the adequacy of the written description. The examiner has the initial burden of presenting by a preponderance of evidence why a person skilled in the art would not recognize in an applicant’s disclosure a description of the invention defined by the claims. *Wertheim*, 541 F.2d at 263, 191 USPQ at 97.” [Emphasis supplied]

The Examiner’s answer states:

“Nor specification as filed discloses the features. In the Amendment after First Office Action, Appellants introduced new claims 47 reciting that the aluminum foil (24) is at room temperature when the aluminum foil (24) and the coextruded plastic (14)/adhesion-promoting agent (16) are combined. This feature is not supported by the specification as filed and originally filed claims. Although Fig. 1 of Appellants does not show heating element, the heating element is not excluded (therefore, possibly also new matter).”

[Page 13, lines 2 to 7]

This statement is in clear error as shown in the Appeal Brief and in this Reply Brief.

A copy of the Interview Summary of October 30, 2003, and a typed copy of part of the handwritten Interview Summary is attached hereto.

The Interview Summary (typed) states:

“Description of the general nature of what was agreed to if an agreement was reached, or any other comments:

Heyes does not teach foil being at room temperature. Although spec. does recite a temperature for Al foil¹⁰ before being combined with the coextrudate, so in accordance with scientific/technical practice, aluminum foil was at room temperature.” [Emphasis supplied]

So the Examiner, in the Interview Summary, stated that the aluminum foil was at room temperature (in accordance with scientific/technical practice). Therefore, Claim 47 is supported.

The Appeal Brief shows in detail that no new matter was inserted into the specification, claims or drawings.

The Appeal Brief also shows that outside evidence can be used, and has been used, to establish that there was no new matter and that the written description was satisfactory and sufficient. See, e.g., *Webster Loom v. Higgins*, 105 U.S. 580, 586 (U.S. Sp. Ct. 1881); and *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 231 USPQ 81, 94 (Fed. Cir. 1986)

Reversal of the several rejections and allowance of the claims are requested.

Two signed copies of this reply brief are submitted herewith.

Respectfully Submitted,

March 9, 2005
Date

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NOTE: Pursuant to Fed. Cir. R. 47.6, this disposition is not citable as precedent. It is a public record.

United States Court of Appeals for the Federal Circuit

04-1225
(Serial No. 07/636,839)

IN RE BRUCE BEASLEY

DECIDED: December 7, 2004

Before LOURIE, Circuit Judge, ARCHER, Senior Circuit Judge, and DYK, Circuit Judge.

Opinion for the court filed by Circuit Judge LOURIE. Dissenting opinion filed by Circuit Judge DYK.

LOURIE, Circuit Judge.

Bruce Beasley appeals from the decision of the United States Patent and Trademark Office ("PTO") Board of Patent Appeals and Interferences affirming the rejection of claims 1-6 of U.S. Patent Application 07/636,839 as obvious under 35 U.S.C. § 103. Ex parte Beasley, Appeal No. 2001-2202, Paper No. 38 (B.P.A.I. Aug. 29, 2002) ("Decision on Appeal"); Ex parte Beasley, Appeal No. 2001-2202, Paper No. 40 (B.P.A.I. Oct. 27, 2003) ("Decision on Request for Rehearing"). Because the Board's key factual findings relating to its obviousness analysis are not supported by substantial evidence, the Board erred in concluding that the claims would have been obvious as a matter of law. We accordingly vacate and remand.

BACKGROUND

On January 2, 1991, Beasley filed U.S. Patent Application 07/636,839 directed to the generation of images or markings on a video display screen using a light pen, so as to point to or otherwise indicate information of interest. Representative claim 1 recites:

1. In a system for forming an image on a display screen scanned in frames by a beam:

a light pen movable relative to the screen and having a light sensing element for providing a signal when the position of the light pen coincides with the position of the beam,

a memory having a plurality of addressable storage locations,

means for mapping the display screen into the memory on a point-by-point basis by sequentially addressing the memory locations in synchronization with the position of the beam to provide a one-to-one correspondence between the memory locations and the points on the screen,

means responsive to the signal from the light pen for writing data into the memory at locations corresponding to the position of the light pen on the screen during successive frames,

means for reading the data out of the memory locations as they are addressed, and

means responsive to the data read out of the memory for producing an image corresponding to the points where the light pen is positioned during successive frames.

(emphases and paragraphing added).

Previously, the '839 application had been the subject of an appeal to this court, which affirmed the rejection of claims 1-6 under 35 U.S.C. §§ 102 and 103 in view of U.S. Patent 3,832,485 ("Pieters"). In re Beasley, No. 99-1055, 1999 WL 515480 (Fed. Cir. July 20, 1999) (nonprecedential) ("Beasley I").¹ Beasley thereafter filed a Continued Prosecution Application, in which he amended independent claims 1 and 4 to

¹ In Beasley I, claims 1, 3, 4, and 6 had been rejected as being anticipated by Pieters, and claims 2 and 5 had been rejected as being obvious in view of the same. Beasley I, 1999 WL 515480 at **1. Pieters is directed to an apparatus for creating delineations on images using, inter alia, a light pen. Pieters, abstract.

specifically include the feature of “mapping the display screen into the memory on a point-by-point basis . . . to provide a one-to-one correspondence” between the memory locations and the points on the screen (hereinafter referred to as the “point-by-point mapping limitation”).²

Observing that Pieters, by itself, did not disclose the point-by-point mapping limitation, the examiner rejected the amended claims for obviousness under § 103 in view of Pieters combined with either one of U.S. Patent 3,973,245 (“Belser”) or U.S. Patent 4,847,604 (“Doyle”).³ The examiner cited Belser and Doyle as each disclosing “a conventional bit map memory mapping a display screen into the memory on a point by point basis,” and that “it would have been obvious to one of ordinary skill in the art to substitute Belser’s [or Doyle’s] bit map memory” for the content addressable memory (“CAM”) used in Pieters. Jan. 7, 2000 Office Action at 2-3. A skilled artisan would have been motivated to make such a combination, alleged the examiner, “because image data stored in the bit map format can be read out rapidly.” Id.

² In the prior appeal, Beasley argued that the point-by-point mapping limitation was to be read into independent claims 1 and 4, in an attempt to avoid anticipation by Pieters. The court in Beasley I concluded that the language of the claims was not sufficiently narrow to require this limitation to be read therein, and consequently affirmed the anticipation rejection. Beasley I, 1999 WL 515480 at **3. After amending the claims to expressly recite the point-by-point mapping limitation, Beasley is now before us again. Although the point-by-point mapping limitation is cast in means-plus-function form, see 35 U.S.C. § 112, ¶ 6 (2000), the parties do not dispute whether any of the cited references discloses an equivalent structure. Accordingly, we need not identify or consider the structures in Beasley’s application that correspond to that function.

³ Belser concerns a method and apparatus for “converting information in coded form into a dot matrix or raster form,” Belser, col. 2, ll. 22-24, and presents in considerable detail an algorithm for reformatting data. Belser, col. 5, l. 23 through col. 9, l. 20. Doyle is directed to a system that allows a user to point to a feature on an image and cause descriptive information (e.g., text or a magnified view) to appear. Doyle, col. 11, l. 13 through col. 12, l. 18.

Beasley responded that the examiner had failed to establish a prima facie case of obviousness because replacing the CAM in Pieters with the memories in Belser and Doyle would require “a complete restructuring” of the system shown in Pieters, which was “not within the purview of obviousness.” Apr. 6, 2000 Resp. to Office Action at 2. Arguing that the cited references failed to provide any motivation for the combination, Beasley stressed that the examiner’s suggestion for the substitution “appear[ed] to be based entirely on applicant’s own disclosure” in an attempt to “piece together” the prior art so as to render the claimed invention obvious. Id. Beasley criticized the rationale proffered by the examiner—that “data stored in a bit map format can be read out rapidly”—as “fall[ing] far short of the necessary motivation for the combination.” Id.

The examiner rejected Beasley’s arguments in a final office action, by repeating the substance of the Jan. 7, 2000 Office Action, and by further alleging that it was “well known in [the] computer display art to substitute a bit map memory for a conventional memory such as the memory used by Pieters.” Jun. 14, 2000 Office Action at 4. Insisting that the “advantage of using . . . bit map memory over . . . conventional memory [was] well recognized,” the examiner listed three advantages: (1) increasing the display rate; (2) ensuring proper correlation of image locations with display locations; and (3) minimizing data processing and storage requirements. Id. In view of those “well recognized” advantages, reasoned the examiner, “it would have been obvious to one of ordinary skill” to make the substitution. Id. at 5.

Beasley appealed the final rejection to the Board, reiterating his arguments against obviousness. The Board agreed with the examiner's reasoning and affirmed⁴ the rejection of claims 1-6.⁵ Decision on Appeal at 8. The Board found that the cited references suggested to skilled artisans "that if more rapid readout of image data is desired, the bit map memory, rather than the CAM of Pieters, should be employed." Id. at 5-6. With respect to Beasley's restructuring argument, the Board stated that "the artisan skilled in the image display and memory arts would have been well aware of the restructuring" involved when making the substitution. Id. at 6. Disagreeing with Beasley that the examiner's proposed substitution of one memory type for another was "unsupported," the Board reasoned that the "artisan would clearly have understood, from the applied references, the different types of memories available (CAM versus bit map), and their comparative advantages, and would have chosen implementation of one over the other for the advantages sought." Id. Concluding that the examiner established a prima facie case of obviousness, the Board sustained the rejection of claims 1-6.

Beasley filed a request for reconsideration, which the Board denied. Decision on Request for Rehearing at 5. Beasley timely appealed the Board's decision to this court, and we have jurisdiction pursuant to 28 U.S.C. § 1295(a)(4)(A).

⁴ To the extent the Board adopted the examiner's position as its own, we shall refer to the examiner's findings and conclusions as those of the Board. See In re Paulsen, 30 F.3d 1475, 1478 n.6 (Fed. Cir. 1994).

⁵ Our discussion will focus on independent claim 1, and, in particular, the point-by-point mapping limitation. The only other independent claim is claim 4, which is directed to a method, but is otherwise similar to independent claim 1 in all material respects. Since Beasley has not made separate patentability arguments for claim 4, or for any of the dependent claims, those claims will stand or fall together with claim 1. See In re Kaslow, 707 F.2d 1366, 1376 (Fed. Cir. 1983).

DISCUSSION

A claimed invention may be found to have been obvious “if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a) (2000). Whether an invention would have been obvious under § 103 is a question of law based on underlying findings of fact. In re Kotzab, 217 F.3d 1365, 1369 (Fed. Cir. 2000). We review the Board’s legal conclusion of obviousness de novo, and its underlying factual determinations for substantial evidence. In re Gartside, 203 F.3d 1305, 1316 (Fed. Cir. 2000). Substantial evidence is “such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” Id. at 1312 (quoting Consolidated Edison Co. v. NLRB, 305 U.S. 197, 229 (1938)).

On appeal, Beasley urges reversal on the basis that the record does not support the Board’s determination that the examiner established a prima facie case of obviousness. For a prima facie case of obviousness to exist, there must be “some objective teaching in the prior art or . . . knowledge generally available to one of ordinary skill in the art [that] would lead that individual to combine the relevant teachings of the references.” In re Fine, 837 F.2d 1071, 1074 (Fed. Cir. 1988). “The motivation, suggestion or teaching may come explicitly from statements in the prior art, the knowledge of one of ordinary skill in the art, or, in some cases the nature of the problem to be solved.” Kotzab, 217 F.3d at 1370.

The presence or absence of a motivation to combine references is a question of fact, In re Dembiczak, 175 F.3d 994, 1000 (Fed. Cir. 1999), which is evaluated under

the substantial evidence standard. Gartside, 203 F.3d at 1316. Beasley contends that we have before us a case of impermissible hindsight reconstruction, in which the examiner's finding of a motivation to substitute the memory used in either Belser or Doyle for the CAM in Pieters rests on generalized statements of advantages without regard to the desirability or the feasibility of modifying Pieters. Given the "subtle but powerful attraction of a hindsight-based obviousness analysis," we require a "rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." Dembiczak, 175 F.3d at 999. This is consonant with the obligation of the Board to develop an evidentiary basis for its factual findings to allow for judicial review under the substantial evidence standard that is both deferential and meaningful. See In re Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

In evaluating the Board's finding of motivation, we look to the record, for "all of the relevant information upon which the Board relied in rendering its decision." Gartside, 203 F.3d at 1314. "That record, when before us, is closed, in that the Board's decision must be justified within the four corners of that record." Id. For the purposes of the present appeal, the record indicates that there have been no less than five occasions, since the filing of the Continued Prosecution Application with the amended claims, on which the Board and the examiner have had the opportunity to develop a factual record that establishes substantial evidence of a motivation to combine Pieters with either Belser or Doyle. They failed to do so in each instance. Our review of (1) the Jan. 7, 2000 Office Action; (2) the Jun. 14, 2000 Office Action; (3) the Feb. 13, 2001 Examiner's Answer; (4) the Decision on Appeal; and (5) the Decision on Request for Rehearing reveals that the assertions pertaining to the advantages of one type of

memory over another that had been advanced by the examiner and the Board for the express purpose of showing motivation for the proposed substitution have been set forth without any supporting citations to relevant portions of either Pieters, Belser, Doyle, or any other authority.

For example, the examiner's allegation in the Jan. 7, 2000 Office Action that "image data stored in the bit map format can be read out rapidly" has been repeated axiomatically throughout the record in justifying the replacement of the CAM in Pieters. Neither the Board nor the examiner has identified in the record any source of information—either from the references cited or otherwise—from which they base their comparison of the relative speed advantages of "bit map memories" over CAMs. Similarly, the assertion in the Jun. 14, 2000 Office Action that the "advantage of using . . . bit map memory over . . . conventional memory is well recognized" appears unaccompanied by any indication of its origins.⁶

In adopting the examiner's position, the Board made no effort to substantiate the examiner's assertions by invoking any identifiable authority. Instead, the Board relied on the examiner's and its own knowledge as skilled artisans. For example, the Board claimed that "the secondary references" suggested to skilled artisans "that if more rapid readout of image data is desired, the bit map memory, rather than the CAM of Pieters,

⁶ While the abstract of Doyle was cited for the proposition that the use of "bit map memory" ensures proper correlation of image locations with display locations, and minimizes data processing and storage requirements, a closer inspection of Doyle reveals that these "advantages" arise out of a specific arrangement for encoding image information, rather than from any intrinsic characteristic of "bit map memories" in general. Doyle, col. 4, ll. 15-19 ("[T]he advantages . . . stem from encoding information about a video image as a pixel bit map and a color map in which the addresses or indices of the color map are correlated with the addresses or pointers to strings of descriptive information about predefined features of the video image.").

should be employed.” Decision on Appeal at 5-6. Similarly, in dismissing Beasley’s restructuring argument, the Board alleged that a skilled artisan would have been “well aware” of the restructuring involved. Id. at 6. Under the MPEP provisions⁷ in effect at the time, such generalized claims of what “the secondary references” teach and of what the skilled artisan would have been “well aware” fail to satisfy the level of specificity that is required. Cf. Kotzab, 217 F.3d at 1371 (“[P]articular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed.”). The MPEP provides guidelines for relying on official notice and personal knowledge, which the examiner did not follow in this case:

The rationale supporting an obviousness rejection may be based on common knowledge in the art or “well-known” prior art. The examiner may take official notice of facts outside of the record which are capable of instant and unquestionable demonstration as being “well-known” in the art. In re Ahlert, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970) . . .

When a rejection is based on facts within the personal knowledge of the examiner, the data should be stated as specifically as possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner. Such an affidavit is subject to contradiction or explanation by the affidavits of the applicant and other persons. See 37 CFR 1.104(d)(2).

For further views on official notice, see In re Ahlert, 424 F.2d 1088, 1091, 165 USPQ 418, 420-421 (CCPA 1970) (“[A]ssertions of technical facts in areas of esoteric technology must always be supported by citation of some reference work” and “allegations concerning specific ‘knowledge’

⁷ The Manual of Patent Examining Procedure (“MPEP”) is commonly relied upon by patent examiners on procedural matters. Litton Sys., Inc. v. Whirlpool Corp., 728 F.2d 1423, 1439 (Fed. Cir. 1984). “While the MPEP does not have the force of law, it is entitled to judicial notice as an official interpretation of statutes or regulations as long as it is not in conflict therewith.” Molins PLC v. Textron, Inc., 48 F.3d 1172, 1180 n.10 (Fed. Cir. 1995):

of the prior art, which might be peculiar to a particular art should also be supported.” . . .

MPEP § 2144.03 (7th ed. 1998) (emphases added); see also MPEP § 2144.03 (7th ed., rev. 1, 2000). Certainly, the relative speed advantages of CAMs vis-à-vis “bitmap memories” and the feasibility of substituting one for the other can hardly be described as a fact that is of “instant and unquestionable demonstration” for the purpose of taking official notice unsupported by any citation.

The record reflects that the examiner and the Board have managed to find motivation for substituting one type of memory for another without providing a citation of any relevant, identifiable source of information justifying such substitution. The statements made by the Examiner, upon which the Board relied, amount to no more than conclusory statements of generalized advantages and convenient assumptions about skilled artisans. At least under the MPEP then in effect, such statements and assumptions are inadequate to support a finding of motivation, which is a factual question that cannot be resolved on “subjective belief and unknown authority.” Lee, 277 F.3d at 1344. Under such circumstances, with respect to core factual findings, “the Board must point to some concrete evidence in the record in support” of them, rather than relying on its assessment of what is “well recognized” or what a skilled artisan would be “well aware.” In re Zurko, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001). “To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise.” Id. at 1386 (citing Baltimore & Ohio R.R. Co. v. Aberdeen & Rockfish R.R. Co., 393 U.S. 87, 91-92 (1968)).

The PTO, perhaps realizing the deficiencies in the record in this regard, provides numerous citations in its brief to specific passages in Pieters, Belser, and Doyle in a

valiant attempt to muster substantiation for the Board's findings. We cannot consider such post hoc attempts at bolstering the record in our review for substantial evidence. Burlington Truck Lines, Inc. v. United States, 371 U.S. 156, 168 (1962) ("[C]ourts may not accept appellate counsel's post hoc rationalization for agency action."). Our review must be limited to those grounds relied on and articulated by the Board; otherwise, the applicant may be deprived of a fair opportunity to support his position. See Lee, 277 F.3d at 1345; see also SEC v. Chenery Corp., 332 U.S. 194, 196 (1947) ("[T]he court is powerless to affirm the administrative action by substituting what it considers to be a more adequate or proper basis.").

CONCLUSION

For the above reasons, we conclude that the Board's determination that Beasley's claimed invention would have been obvious in view of the combination of Pieters with either Belser or Doyle is not supported by substantial evidence. Accordingly, we vacate the Board's decision and remand for further proceedings not inconsistent with this opinion.



NOTE: Pursuant to Fed. Cir. R. 47.6, this disposition is not citable as precedent. It is a public record.

United States Court of Appeals for the Federal Circuit

04-1225
(Serial No. 07/636,839)

IN RE BRUCE BEASLEY

DYK, Circuit Judge, dissenting.

I respectfully dissent. Under our decision in Lee the Board may not rely on common knowledge and common sense in rejecting a claim as obvious. In re Lee, 277 F.3d 1338, 1344-45 (Fed. Cir. 2002). But both the examiner and the Board are presumed to be skilled in the art, id. at 1345, as the majority recognizes, ante at 8. They may properly rely on that knowledge in making rejections for obviousness, but “when they rely on what they assert to be general knowledge to negate patentability, that knowledge must be articulated and placed on the record.” Lee, 277 F.3d at 1345.

That is exactly what the examiner and Board have done here. The patent examiner rejected Beasley’s claims as obvious over Pieters in view of either Besler or Doyle, finding a motivation to combine in the fact that “image data stored in the bit map format can be read out rapidly.” Jan. 7, 2000 Office Action at 2. The examiner sustained his rejection in the subsequent Office Action and specifically addressed Beasley’s argument that there was no motivation to combine. The examiner noted that “[t]he advantage of using the bit map memory over the conventional memory is well recognized” and listed three advantages: (1) increasing the display rate; (2) ensuring proper correlation of image locations with display locations; and (3) minimizing data processing and storage requirements. June 14, 2000 Office Action at 4. The Board

agreed with the reasoning of the examiner and further found that an “artisan skilled in the image display and memory arts would have been well aware of the restructuring and manners of address which would need to be changed in order to substitute one type of memory for another.” Ex parte Beasley, Appeal No. 2001-2202, Paper No. 38, at 6 (B.P.A.I. Aug. 29, 2002). I see no error in the Board’s reliance on the PTO’s own specialized knowledge. The effect is merely to create a prima facie case, and to shift the burden to the patent applicant. Here the applicant did not refute the factual findings of the Board and the patent examiner, but merely offered lawyer argument to contradict the Board’s findings. Under these circumstances the application was properly rejected.

With this said, I agree that the MPEP provision in effect at the time is not a model of clarity and can be read as recognizing only a very limited scope for the use of the PTO’s expertise. MPEP § 2144.03 (7th ed. 1998). However, the current version appears to allow greater latitude. MPEP § 2144.03 (8th ed., rev. 2, 2004). In future cases, where the PTO has provided us with an interpretation of the new MPEP provisions, we will need to address the extent to which the new version of the MPEP gives the PTO greater scope to rely on its own expert knowledge.

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AIPLA Reports

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January 11, 2004

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Supreme Court/Patents

Supreme Court Will Review Scope of §271(e) Safe Harbor

Merck KGaA v. Integra LifeSciences I, Ltd., U.S., No. 03-1237, 1/7/05.

The Supreme Court on January 7, 2005, agreed to review a Federal Circuit decision that the infringement safe harbor under 35 U.S.C. §271(e)(1) does not apply to pre-clinical research conducted to identify the best drug candidate for future clinical testing.

The question presented to the court for review is as follows:

Under 35 U.S.C. 271(e)(1), it is generally not an act of infringement to use a patented invention "solely for uses reasonably related to the development and submission of information under a Federal law" regulating the manufacture, use, or sale of drugs. The question presented is whether the court of appeals erred in limiting that exemption to clinical studies designed to provide information for Food and Drug Administration approval of a new drug.

The government filed a brief supporting the grant of review. It argued that the Federal Circuit decision (see 331 F.3d 860, 66 USPQ2d 1865 (Fed. Cir. 2003)) incorrectly suggests that Section 271(e)(1) is limited to "clinical"

research, which the FDA regards as trials on humans. However, in determining whether to permit clinical trials, according to the government, the FDA considers "pre-clinical research," including "pharmacological and toxicological studies of the drug involving laboratory animals or in vitro." The appellate court's decision threatens new drug research by dramatically narrowing the scope of protections enacted by Congress in Section 271(e)(1). Although this case is not an ideal vehicle for considering the issue, it explained, the potential impact of the legal ruling is sufficiently important to warrant review.

To read the Federal Circuit opinion in this case, click here: <http://www.aipla.org/html/reports/2005/Integra.pdf>

To read the government amicus brief, click here: <http://www.aipla.org/html/reports/2005/GovIntegraBrief.pdf>

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Patents/Duty of Disclosure

Examiner Request for Information Is Not Confined to Patentability Issues

Star Fruits S.N.C. v. United States, Fed. Cir., No. 04-1160, 1/3/05.

PTO requests to patent applicants for information under 37 C.F.R. §1.105 need not be limited to the patentability of the subject matter claimed in an application, the Federal Circuit held January 3, 2005.

The applicant for a patent on a variety of peach tree objected to a PTO request for "any information available regarding the sale or other public distribution of the claimed plant variety anywhere in the world." When the applicant refused to provide the requested information, the PTO declared the application abandoned, whereupon the applicant sought review in the district court under the Administrative Procedure Act. The district court agreed with the PTO that these matters are within the scope of Section 1.105 which permits requests of information "reasonably necessary to properly examine" the application. This position is consistent with the agency's successful argument in In re Elsner, 72 USPQ2d 1038 (Fed. Cir. 2004), that a foreign sale of a claimed plant established the enablement of a foreign patent application as an anticipating printed publication reference.

The Federal Circuit noted that the PTO's interpretation of its own regulations is entitled to substantial deference, and found that the interpretation here was neither plainly erroneous nor inconsistent with the regulation.

We think it clear that "such information as may be reasonably necessary to properly examine or treat the matter," 37 C.F.R. 1.105(a)(1), contemplates information relevant to examination either procedurally or substantively. It includes a zone of information beyond that defined by section 1.56 as material to patentability, and beyond that which is directly useful to support a rejection or conclusively decide the issue of patentability.

The court held that it was not improper for the agency to deem the application abandoned after the applicant refused to provide the requested information.

The real issue in the case, Judge Raymond Clevenger wrote, is whether the Office may use Section 1.105 to compel disclosure of information that the examiner deems pertinent to patentability where the applicant disagrees; the answer is that it may. Just as the applicant produces information it deems pertinent to patentability under Section 1.56, he pointed out, the examiner is free to request information under Section 1.105 that the examiner deems pertinent to the issue of patentability.

In this case, according to the court, the dispute over whether Star Fruits should be compelled to answer boils down to a disagreement as to the significance of the information sought. "So long as the request from the examiner for information is not arbitrary or capricious, the applicant cannot impede the examiner's performance of his duty by refusing to comply with an information requirement which proceeds from the examiner's view of the scope of the law to be applied to the application at hand," Judge Clevenger wrote.

Judge Pauline Newman filed a dissenting opinion. She complained that the majority improperly limited the scope of review for an APA action under these circumstances, i.e., where the underlying issue concerns PTO view of the substantive law that prompted the Section 1.105 question. "When an agency unilaterally makes a major and far-reaching change in law, the entire administrative process need not be forced to proceed on the incorrect law, a process that may consume years, in order to challenge the law," she wrote.

To read the court's opinion, click here: <http://www.aipla.org/html/reports/2005/StarFruits.pdf>

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Patents/Infringement/Expert Testimony

Infringement Proof Failed for Lack of Expert Testimony

Centricut, LLC v. The Esab Group, Inc., Fed. Cir., No. 13-1574, 12/6/04.

The patentee's failure to offer expert testimony about the application of a patent to a complex technology resulted in a failure of proof, the Federal Circuit held December 6, 2004.

The parties agreed on an interpretation of the claim term "work function" in a patent claiming an electrode for plasma arc torches and a method of fabricating the electrode, but they disagreed on whether the accused device satisfied that claim limitation. Writing for the court, Judge Timothy Dyk observed as follows:

We do not state a per se rule that expert testimony is required to prove infringement when the art is complex. Suffice it to say that in a case involving complex technology, where the accused infringer offers expert testimony negating infringement, the patentee cannot satisfy its burden of proof by relying only on testimony from those who are admittedly not expert in the field.

To read the court's opinion, click here: <http://www.aipla.org/html/reports/2005/Centricut.pdf>

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Patents/Prior Art/Common Knowledge

Common Knowledge Was Insufficient to Prove Obviousness

In re Beasley, Fed. Cir., No. 04-1225, 12/7/04, non-precedential.

Information claimed by the examiner to be "well known" in the industry but which was not supported in the record was an improper basis for finding motivation in the prior art to support a ruling of obviousness, the Federal Circuit held December 4, 2004, in a non-precedential ruling.

The patent application was directed to a patent on generating images on a video display screen using a light pen. It included a means claim for storing the display screen in bit map memory. According to both the examiner and the Board, the claimed invention substituted a bit map memory for the conventional memory used in prior art patents, which was a substitution they claimed was "well known in [the] computer display art."

The Federal Circuit held that such generalized claims of what the secondary references teach and of what the skilled artisan would have been "well aware" do not satisfy the level of specificity required under the MPEP in effect at the time. The statements of the examiner, relied on by the Board, amount to no more than conclusory statements of generalized advantages and convenient assumptions about skilled artisans, Judge Alan Lourie noted. With respect to core factual findings, he explained, the Board must point to some concrete evidence in the record, rather than relying on its assessment of what is "well recognized" or of what a skilled artisan would be "well aware."

The PTO's citation in its appellate brief to supportive passages in the prior art patents also fail, court added. Those citations are post hoc attempts to bolster the record, Judge Lourie observed, adding that appellate review must be limited to those grounds relied on and articulated by the Board.

Judge Timothy Dyk dissented. While examiners and Board members may not rely on common knowledge to make obviousness rejections, they are presumed to be skilled in the art and may properly rely on that knowledge in making obviousness rejections.

To read the court's opinion, click here: <http://www.aipla.org/html/reports/2005/Beasley.pdf>

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Patents/Obviousness

Obvious Configuration Need Not Be Preferred Configuration

In re Fulton, Fed. Cir., No. 04-1267, 12/2/04.

An obviousness finding is not erroneous for failing to show that the characteristics of the reference are "preferred" over other alternatives disclosed in the prior art.

The question is not whether something in the prior art as a whole suggests that the combination "is the most desirable" combination available, Judge Paul Michel noted, but whether something in the prior art as a whole "suggests the desirability," and thus the obviousness, of making the combination. Nor does the prior art's mere disclosure of more than one alternative constitute a teaching away from any of these alternatives, according to the court, pointing out that the disclosure does not criticize, discredit, or otherwise discourage the solution claimed in the patent application.

The court held that the Board of Patent Appeals and Interferences properly rejected as obvious the claims to the pattern and configuration of a non-slip shoe sole based on prior art utility and design patents.

To read the court's opinion, click here: <http://www.aipla.org/html/reports/2005/Fulton.pdf>

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CAFC/Personnel

Judge Paul Michel Becomes Federal Circuit Chief

Judge Paul Michel of the Federal Circuit on December 25, 2004, assumed the position of Chief Judge for the court.

Judge Michel, who will be 64 this February, has been on the court since March of 1988. Before coming to the court, Judge Michel served as counsel and administrative assistant to Senator Arlen Specter (1981-88) and held several senior positions in the Justice Department. Under 28 USC 45(a)(1), a chief judge must be 64 years old or younger and senior in commission, and under Section 45(a)(3)(C) may not serve beyond the age of 70.

Chief Judge Michel succeeds Judge H. Robert Mayer, who will also be 64 this February. Judge Mayer has been on the court since June of 1987 and was Chief Judge since December of 1997.

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Legislative Developments

Legislation/Counterfeiting

President Signs Criminal Counterfeiting Bill on Labels

On December 23, 2004, President Bush signed legislation (H.R. 3632) that expands the criminal statute against trafficking in counterfeit labels for copyrighted goods (18 U.S.C. §2318). The legislation also creates a rebuttable presumption of willfulness for trademark and copyright infringers who knowingly provide false contact information to domain name registrars.

Counterfeit Labels

Section 2318 currently applies to trafficking in counterfeit labels for: (1) phonorecords, (2) computer programs and their documentation or packaging, and (3) motion pictures or other audio visual works. The statute also covers trafficking in counterfeit computer program documentation or packaging itself.

Under the revisions of Title I of the bill, the statute also covers counterfeit labels and "illicit labels" for literary works, pictorial, graphic, or sculptural works, and works of visual art. It elaborates the definition of "counterfeit label" to apply not only to "affixed" labels, but also to labels that "enclose or accompany" the goods. In addition, the new definition encompasses genuine certificates that are used by copyright owners to verify that a computer program or movie is not counterfeit or infringing, and that it is not distributed or altered without authorization.

A new Section 2318(f) creates civil remedies for violations of the criminal statute, providing injunctive relief, actual damages and profits, statutory damages, and treble damages for repeat offenders. Uncodified provisions of the legislation exclude the application of the statute to the electronic transmission of the covered items and disclaim any affect on the fair use of such items.

Online Identity

Title II of the legislation incorporates the text of the "Fraudulent Online Identity Sanctions Act" (H.R. 3754), to create a rebuttable presumption of willfulness for copyright and trademark infringers who knowingly provide "materially" false contact information in a domain name registration.

The legislation amends the Lanham Act with a new Section 35(e), 15 U.S.C. §1117(e), and amends the Copyright Act with a new Section 504(c)(3). The bill also amends the criminal sentencing guidelines to create a seven-year sentence enhancement of prison time if one who is convicted of a felony also knowingly registered a false domain name which was used in the felony. Finally, the bill disclaims any effect on free speech rights or on the discretion of a court to determine damages or an appropriate prison term.

To read H.R. 3632 as cleared for the White House, click here:
<http://www.aipla.org/html/reports/2005/FinalHR3632.pdf>

To read a markup of 18 U.S.C. §2318 showing changes from H.R. 3632, click here:
<http://www.aipla.org/html/reports/2005/Markedup18USC2318.pdf>

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Legislation/Trademarks/Criminal Counterfeiting

New Bill Would Extend Bar on Counterfeit Goods to Counterfeit Labels

Rep. Joseph Knollenberg (D-Mich) on January 4, 2005, reintroduced legislation (H.R. 32) to extend the criminal prohibition against trafficking in counterfeit goods under 18 U.S.C. §2320 to trafficking in labels and packaging to which counterfeit marks are knowingly applied.

The bill responds to the decision in United States v. Giles, 213 F.3d 1247 (10th Cir. 2000), requiring the dismissal of a counterfeiting indictment under Section 2320 against a defendant trafficking in leather patches bearing designer marks because the statute prohibits the trafficking in "goods" bearing counterfeit marks. The appellate court refused to follow Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Mfg. Inc., 510 F.2d 1004 (5th Cir. 1975), which found that patches qualify as a "good" under the statute.

Under H.R. 32, Section 2320(a) would be amended to bar intentional or attempted trafficking in "labels, patches, stickers, wrappers, badges, emblems, medallions, charms, boxes, containers, cans, cases, hangtags, documentation, or packaging of any type or nature to which a counterfeit mark is knowingly applied." One notable difference from the bill (H.R. 4358) introduced last year is that H.R. 32 drops an attempt to extend the definition of "counterfeit mark" to include a diluting mark.

To read the text of H.R. 32, click here: <http://www.aipla.org/html/reports/2005/HR32.pdf>

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Agency Developments

Patent and Trademark Office/Personnel

Three New Deputy Commissioners Named at PTO

PTO Director Jon Dudas on January 7, 2004, announced the appointment of three new Deputy Patent Commissioners.

Joe Rolla, currently a director for telecommunications technology, has been named Deputy Commissioner for Patent Examining Policy, replacing the recently retired Stephen Kunin. Margaret "Peggy" Focarino, currently a

director for computer architecture and software technology, has been named Deputy Commissioner for Patent Operations. John Doll, currently a special assistant to Dudas and previously a director for biotechnology and pharmaceutical technology, has been named Deputy Commissioner for Patent Resources and Planning. All three began working for the PTO in the 1970s.

To read the PTO press release on the appointments, click here:

<http://www.aipla.org/html/reports/2005/PTODepComm.pdf>

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Calendar of AIPLA Events

Jan. 26-29

Mid-Winter Institute 2005

(http://www.aipla.org/Content/ContentGroups/Meetings_and_Events1/Mid-Winter_Meetings/2005/2005_Mid-Winter_Institute.htm)

Hilton in the Walt Disney Resort

Lake Buena Vista, FL

Feb. 18

NAS/AIPLA Regional Conference on the 21st Century

(http://www.aipla.org/Content/NavigationMenu/Meetings_and_Events/Seminars/Town_Meetings_Brochure)
San Jose, CA

March 4

NAS/AIPLA Regional Conference on the 21st Century

(http://www.aipla.org/Content/NavigationMenu/Meetings_and_Events/Seminars/Town_Meetings_Brochure)
Chicago, IL

March 18

NAS/AIPLA Regional Conference on the 21st Century

(http://www.aipla.org/Content/NavigationMenu/Meetings_and_Events/Seminars/Town_Meetings_Brochure)
Boston, MA

July 18-19

Advance Patent Cooperation Treaty Seminar

Washington, DC

July 21-23

Advance Patent Cooperation Treaty Seminar

Minneapolis, MN

July 25-26

Advance Patent Cooperation Treaty Seminar

San Diego, CA

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